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Comment: The following, taken from the Duesseldorf weekly newspaper Verkehrs-Wirtschaft of 31 January 1953, is an outline of the plans for future German airlines as presented by Dr Kurt Weigelt, chairman of the board of the recently founded AG fuer Luftverkehrsbedarf (Corporation for Air Transport Requirements).7

Since the only thing which can be taken over from the old Lufthansa is good will, especially from overseas, the new German airlines will have to make a completely new start. The principles of economic airline operation have changed since the war. World air transport is increasing by about 20 percent every year. Today's airlines are generally using only a few types of aircraft which are utilized to the utmost, and have comparatively small air fleets. Therefore, air transport today should no longer need subsidies, if the routes are properly allocated. Air transport cannot compete with land transport for runs below 300 kilometers in length. This means that European air transport, by itself, is not yet economical, but that it can be economical as the connecting net for intercontinental through routes.

Plans call for the German airlines to serve a net of 100 million ton-kilometers, the largest portion of which will be in the intercontinental service. Only 12.3 million ton-kilometers will be flown domestically. The average length of the routes will be more than 800 kilometers. The 28 airlines serving West Germany now are flying 505 million ton-kilometers on the routes planned. The German airlines will not operate the route to Berlin, which is one of the most profitable ones in Germany. Besides, the German airlines will not have reached economic maturity until 4 or 5 years after starting operations. However, getting passengers is no problem. The problem is obtaining aircraft.

During the first few years of its operation, the German airlines will undoubtedly need sizable subsidies, but will certainly become a profitable enterprise after this period has passed. The future net of the new German airlines will have approximately the size of the net operated by the old Lufthansa. The

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Lufthansa needed 145 aircraft for serving this net, while the new airlines will be able to operate with 24. The Lufthansa used 11 different types of aircraft, while the new airlines will use only two. The old Junkers-52 transport /the "work horse" of the Lufthansa/ carried 17 passengers, while the new aircraft will have room for 44 to 50 first-class passengers or 80 tourist-class passengers. The decisive factor in the question of Federal subsidies is the improvement of the foreign-currency balance. The West German invisible exports balance shows a high deficit. This is a situation which cannot be allowed to continue. The first investments will amount to about 130 million Deutsche marks (West). They can easily be obtained in the form of a foreign loan to be repaid within 7 to 10 years. But the airlines will earn foreign currency or save expenditure of foreign currency even in the first years of operation. It should be remembered that the foreign airlines operating in West Germany grossed over 100 million Deutsche marks for passengers and freight.

Purchase of first-rate equipment which is known to be reliable is the prerequisite for proper operations. This equipment is best obtained from the United States. While the development of jet-propelled transports deserves attention, the purchases will have to be limited to conventional propeller-driven aircraft. The amortization period for aircraft can be set at 5 years. During these 5 years, jet propulsion will probably have been fully developed, but the political situation is such that no long-term orders can be placed. All plans have been laid, however.

The newly founded company has an initial capital of 6 million Deutsche marks, with the Federal Government holding shares of 4 5 million, the Federal Railroads one million, and the Land Nordrhein-Westfalen 0 5 million. The appeal to German private economy brought an unexpectedly good response. Banks subscribed for 600,000 Deutsche marks, and shipping concerns for 150,000; other branches of the economy also subscribed. Private industry subscribed only in the form of convertible bonds. It is hoped to increase the capital stock to 15-20 million Deutsche marks in 1953.

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